

AFTER THE STORM HAS PASSED

Settling disaster claims: who to call and what to do



Tornadoes swept through Webster and Breckinridge counties on April 28, 2002, damaging more than 150 homes, injuring more than 30 people and killing one person. (Kentucky Division of Emergency Management photos)



Kentucky Office of Insurance
February 2004

What to do after the storm?

- ☐ **Call your agent:** Agent's name & phone number _____
- ☐ Ask for policy # and renewal date _____
- ☐ Ask about a housing allowance
- ☐ Ask about storage to secure items
- ☐ Ask about car rental
- ☐ **Report your claim:** Phone number to report claim _____
- ☐ Date claim reported: _____
- ☐ Insurance claim number: _____
- ☐ Insurance company: _____

When you call, have on hand your:

- ☐ Insurance agent's name and address.
- ☐ Insurance policy number & renewal date.

Be prepared to give:

- ☐ Complete directions to your home.
- ☐ Your temporary address and how to find you.
- ☐ A cell phone number if you have one.

Write down:

- ☐ The claims reference number. _____
- ☐ The name of the person you talked to at the insurance company _____
- ☐ When you called and other pertinent information. _____

Ask about:

- ☐ Details on filing a claim including any deadlines.
- ☐ Arrangements for an adjuster to inspect the damage.
- ☐ Temporary housing and living expenses if you can't live in your home.
- ☐ Car rental if your vehicle can't be driven.

When the adjuster arrives:

- ☐ Adjuster's name: _____
- ☐ Adjuster's business address and phone number: _____

Begin gathering information to support your claim:

- ☐ Photos.
- ☐ Receipts.
- ☐ Detailed list of items.
- ☐ Prevent further damage by covering roof, windows and removing water (only if you can do so safely).
- ☐ Don't agree to final settlement until you're satisfied. You are entitled to independent estimates.

If you haven't heard from your agent, adjuster or insurance company within 3 days, call us at the Office of Insurance, Consumer Protection and Education Division: (800) 595-6053; TTY (800) 462-2081 for the deaf/hard-of-hearing.

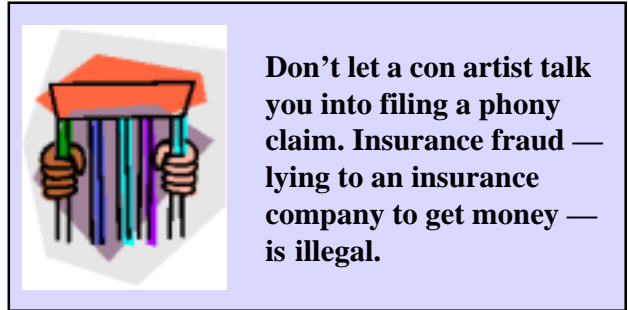
Check on state and federal assistance after a disaster, regardless of your income.

AFTER THE STORM HAS PASSED

First a few words about safety – never try to reenter your home or attempt any repairs unless it is safe to do so. Watch for broken power lines, shattered glass, splintered wood or sharp protruding objects and mud-slicked walkways. Don't use electrical appliances that have been exposed to water unless they've been checked by a technician.

Contact your insurance company as soon as possible. Call your agent, the company's toll-free number or get in touch with the company's representatives in the area.

The local operations center/disaster information center should be aware of what companies have teams in the area, their locations or contact information. Typically, announcements will be made on the radio and in newspapers. (Not so typically, one insurance company "even rented an airplane that pulled a banner advertising the company's location" after Hurricane Andrew in 1992, according to *Insure.com*)



What happens next...

The insurance company will send a *claims adjuster* to look at the damaged property and talk to you about your loss. An adjuster is a person professionally trained to assess the damage.

It may take some time for an adjuster to get to your house. If many homes are damaged, an adjuster may have several sites to visit. Also, police may stop adjusters and others from entering an area until it's safe. Please be patient.

If a reasonable amount of time passes (about three days for a major disaster) and you haven't heard from your adjuster, contact the Kentucky Office of Insurance. Talk to KOI disaster team members on site. Or call the toll free number — 1-800-595-6053 and ask for the Consumer Protection and Education Division. (TTY for the deaf/hard-of-hearing: 800-462-2081)

Meet with your insurance company adjuster first, before signing anything with contractors, lawyers or *public adjusters*. Public adjusters are not connected with the insurance company and charge fees for their services.

Your local disaster information center may have details on what companies have representatives in the area and how you can contact one of the team members. In a large disaster, adjusters may be called in from across the country. Many adjusters may not be familiar with your area and will need very detailed directions to locate your property. If you are not able to stay in your house due to the damage, be sure to tell your company where you can be reached. If possible, give the adjuster a cell phone number where you can be reached at all times.

While you wait for the adjuster

- ☐ Make sure your address is visible from the street. One idea: paint your insurance company name, your policy number and your temporary address on a sheet of plywood.
- ☐ Take action to prevent further damage to your property — cover holes in the roof and windows and remove as much water as possible from the house. *Don't make permanent repairs until the adjuster has inspected the property.*
- ☐ Move important papers and items not covered by insurance to a safer location.
- ☐ Make a list of everything you would like to show the adjuster when he or she arrives.
- ☐ Seek shelter elsewhere if necessary but leave information on where you can be contacted.

Making a record

- ☐ Create a detailed list of damaged items.
- ☐ Take photos of the damage. This is very important if you must throw away or move items before the adjuster has seen them. Save a remnant of items that must be thrown away.

- Keep *all* your receipts (for tarps and a wet/dry-vac, for example) and document the time you spend securing your property.
- Keep a record of conversations with insurance personnel and other officials including the person's name, the time and date and a summary of what you talked about.

When the adjuster arrives

- Ask for identification.
- Get the adjuster's name, his/her local phone number and company.
- Ask questions if there's anything you don't understand and take detailed notes.

Settling your claim

Some things to keep in mind

- You are entitled to be reimbursed fairly for your loss, but you are not supposed to make a profit.
- You can't collect more than the face value of your policy.
- You can't collect for uninsured items, such as landscaping.
- Lodging and living expenses should be reasonable and you should keep receipts.
- Most policies cover tree removal if it falls on a covered structure. The value of the tree is usually not covered and your policy won't pay to remove it if it doesn't damage anything when it falls.
- Depending on the type of loss, your insurance may pay for removal of debris from your property in association with that loss. Coverage for debris removal may be limited to a specific dollar amount. Read your policy or check with the agent or company for details.
- Inspect your roof or have it inspected if you were in the disaster area but aren't sure about roof damage.
- The first check you get from your insurance company is often an advance, not a final payment.
- If you're offered an on-the-spot settlement, you can accept the check right away but make sure that if you find other damage, you can "reopen" the claim and file for an additional amount. Most policies require claims to be filed within one year from the date of disaster.
- Don't agree to a final settlement until you are satisfied that it is fair. You are entitled to obtain independent estimates if you wish.
- Don't sign anything that limits the company's future obligation. For example, it might take months to discover earthquake damage to your foundation.

About your car

Broken glass or body damage is covered only if you have *comprehensive insurance coverage*. You **are not** covered if you only have *liability insurance*. Comprehensive coverage covers replacement of glass without having to apply your deductible. It will pay for repair of body damage after payment of your deductible. Be aware that insurance carriers have had great success with new technology to repair body damage from hail. It involves heating and popping out dents without having to repaint the car.

Avoiding the "fly-by-nighters"

Contractors may be in short supply if there's a major disaster. Don't let desperation put you in a position to be ripped off:

- Avoid repair scams by dealing with reputable licensed and insured local contractors you know or can check out. Ask people you trust for recommendations.
- Do not deal with "fly-by-night" remodelers who go door-to-door, especially those not known in your community or those who offer greatly reduced prices because they say they just completed work nearby and claim to have materials left over.
- Don't be afraid to ask for identification, especially if money is changing hands, and proof of general liability and workers' compensation insurance.
- Don't spend a lot of money on temporary repairs. Remember that payments for temporary repairs are part of the total settlement. If you pay a contractor a large sum for a temporary repair job, you may not have enough money for permanent repairs.
- Insist on a written contract that includes a description of the work, total cost and completion date.

Kentucky Office of Insurance
Division of Consumer Protection and Education
P.O. Box 517, Frankfort, KY 40602-0517
Toll-Free: 1-800-595-6053 TTY for deaf/hard-of-hearing: 1-800-462-2081
Consumer Protection: (502) 564-6034, Fax: (502) 564-6090
Online complaint form under Consumer Protection and Education
at <http://doi.ppr.ky.gov/kentucky/>

Consumer Complaint Form

PLEASE NOTE: In order to assist you, we need a detailed summary of the problem from your perspective, in addition to the information below. Attach more sheets as needed. Please type or print. Please attach copies of any documents related to your complaint. Do not send originals.

1. Your name _____ Daytime Telephone _____

2. Address _____ City, State, ZIP _____

3. Type of Insurance Involved (*please circle one*):

Auto Homeowner's Life Health Disability

Workers' Compensation Commercial Other (Please specify) _____

4. My complaint is against (*please circle all that apply*):

Insurance Company Adjuster Agent Other _____

5. If you are filing a complaint on behalf of another person, what is your relationship to the policy-holder/ insured? _____

Please see "General Information for Filing a Consumer Complaint" for more on the documents that may be required to allow you to act as his or her authorized representative. The publication is online at <http://doi.ppr.ky.gov/kentucky/> under Consumer Protection & Education.

6. The involved insurance company is associated with (*please circle one*):

Your policy Someone else's policy

7. Information on **my** policy: *(complete any that apply)*

Insurance Company: _____

Policy Number: _____

Group Number: _____

ID Number: _____

Agent's Name: _____

Agent's Address: _____

8. Information on the **other person's** policy *(complete any that apply)*:

Insured's Name: _____

Insurance Company: _____

Policy Number: _____

Group Number: _____

ID Number: _____

Adjuster's Name: _____

9. Are you represented by an attorney? (Please circle one.)

Yes

No

Today's Date: (MM/DD/YY) / /

Signature _____

Please use the space below to provide a detailed description of the problem from your point of view. Attach additional sheets if needed.

The Kentucky Office of Insurance does not discriminate on the basis of race, color, religion, sex, national origin, sexual orientation or gender identity, ancestry, age, disability or veteran status. The Office provides, upon request, reasonable accommodation, including auxiliary aids and services necessary to afford an individual with a disability an equal opportunity to participate in services, programs and activities.

Printed with state funds

BEFORE THE STORM HITS

No area is completely safe from the possibility of natural disaster. You can get specific information about what to expect in your community and how to prepare by contacting your local American Red Cross. Or go online at <http://www.redcross.org/>

After you put together a family disaster plan to address personal safety issues, you will want to give some thought to protecting your investment in your home and property. Here are some tips from the Kentucky Office of Insurance (KOI):

- Review your insurance policies to see if you have adequate coverage.

If you're not sure, talk to your agent or call the Kentucky Office of Insurance (1-800-595-6053 or the line for the deaf/hard-of-hearing with a TTY: 1-800-462-2081).

Insurance experts suggest you contact local contractors in your area to get an idea about rebuilding costs. Also, keep in mind you may have to bring your home up to current building codes rather than just restoring it "the way it was." Ask your agent if your policy will pay for the additional expense of bringing it up to code.

- Keep policies and other important papers together in a safe, easily accessible place.
- Inventory your personal property including model and serial numbers and purchase information. Do not overlook items you use seasonally or infrequently.
- Back up your inventory by videotaping and/or photographing each room in your house and storing this visual record outside your home.
- Make copies of insurance policies, your household inventory and other important papers and send them to a trusted friend or family member who lives outside your area.
- In your disaster supply kit, include cameras and extra videotape or film (or disposable cameras) and a notebook and pens for use in documenting your losses.
- Include the phone numbers of your insurance agent, your insurance company's local claims office and home office in your list of emergency numbers.

FREQUENTLY ASKED QUESTIONS ABOUT FLOODS & EARTHQUAKES

My homeowner's policy does not cover flood damage. How do I get this coverage?

Flood insurance is available from the National Flood Insurance Program. If your community participates in this program, you can purchase flood insurance regardless of your degree of risk. You can purchase NFIP insurance from a local agent or call 1-800-611-6123, ext. 490 for more information. The average flood insurance policy is affordable, certainly less expensive than a disaster loan. There is a 30-day waiting period before coverage goes into effect so plan ahead if you are interested in obtaining this coverage.

I have coverage in case of an earthquake. How is my deductible calculated?

In Kentucky, the deductibles for earthquake insurance may vary based on your region of the state. Remember, this deductible is based on the value of your policy. For example, if you live in a county with a 10 percent deductible and you insure your home for \$150,000, you would be responsible for the first \$15,000 in earthquake damages. In this case, if the damages to your home were less than \$15,000, you would pay the entire amount for home repairs and your insurance company would pay nothing. Standard deductibles for policyholders living in each region are: 20 percent for far west region (Ballard, Calloway, Carlisle, Fulton, Graves, Hickman, Marshall and McCracken counties); 15 percent for the near west region (Butler, Caldwell, Crittenden, Daviess, Hancock, Henderson, Hopkins, Livingston, Lyon, McLean, Muhlenberg, Ohio, Trigg, Union and Webster counties), and 10 percent for the remaining counties. These are the standard deductibles companies are required to offer. However, companies may offer higher or lower deductibles as an option.

Useful Contacts

Office of Insurance
Consumer Protection and Education Division
1-800-595-6053 (Toll free)
1-800-462-2081 for deaf/hard-of-hearing with TTY
<http://doi.ppr.ky.gov/kentucky>

National Weather Service
<http://www.nws.noaa.gov/>

Federal Emergency Management Agency
Disaster Information Helpline
1-800-525-0321
<http://www.fema.gov/>

American Red Cross
Check your phone book for local number.
<http://www.redcross.org/>

National Flood Insurance Program
1-888-CALL FLOOD or 1-888-225-5356, ext. 445
1-800-427-5593 TTY
www.fema.gov/nfip

Small Business Adm. Disaster Loans
1-800-488-5323
<http://www.sba.gov/>

Do you need information about insurance issues? Do you want to file a complaint? Do you know someone who has committed the criminal act of insurance fraud? Contact your state Office of Insurance.

Kentucky Office of Insurance

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2004

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ADDRESS CORRECTION REQUESTED

